



DAVID SANDERS, PH.D.
Director

COUNTY OF LOS ANGELES DEPARTMENT OF CHILDREN AND FAMILY SERVICES

425 Shatto Place, Room 205 – Los Angeles, California 90020
(213) 351-5602

March 16, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST FOR APPROPRIATION ADJUSTMENT TO ALIGN THE
FY 2003-04 BUDGET WITH AVAILABLE STATE AND FEDERAL REVENUE,
AND TO PROVIDE FUNDING FOR SALARIES & EMPLOYEE BENEFIT COST
INCREASES NOT INCLUDED IN THE FY 2003-04 ADOPTED BUDGET
(ALL SUPERVISORIAL DISTRICTS)
(4 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve the attached FY 2003-04 Request for Appropriation Adjustment for the Department of Children and Family Services (DCFS) to reduce appropriation and revenue, to align spending authority with available revenue, and to fund the cost of salary increases for Children's Social Workers (CSWs) and Supervising Children's Social Workers (SCSWs) that are not currently reflected in DCFS' FY 2003-04 budget. The cost of the salary increases is \$5,247,000 with a net County cost (NCC) of \$2,555,000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The FY 2003-04 funding allocations were not received in time to be reflected in the FY 2003-04 Adopted Budget. As a result, the State revenue is overstated and the federal revenue is understated. Also, funding of the FY 2003-04 salary increases for Children's

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Social Workers (CSW) and Supervising Children's Social Workers (SCSW) was not reflected in the Adopted Budget.

The recommended action will ensure: (a) DCFS' FY 2003-04 budget reflects available State and federal funding, (b) the spending authority is provided in the expenditure object category where the Department anticipates the expenditures to occur, and (c) the Department's budget includes the NCC needed to cover the CSW and SCSW salary increases. Therefore, the recommended action will ensure the Department's budget includes sufficient funding for services critical to ensuring child safety and permanency.

Implementation of Strategic Plan Goals

The recommended action is consistent with the principles of the Countywide Strategic Plan Goal 4 (Fiscal Responsibility) and Goal 5 (Children and Families' Well-Being). The recommended actions will ensure alignment of spending with available funding and ensure the continued provision of services promoting child safety and permanency.

FISCAL IMPACT/FINANCING

The State allocations are \$17,993,000 lower than what is reflected in the FY 2003-04 Adopted Budget. However, approximately \$11,593,000 more federal revenue is anticipated than what was included in the Adopted Budget. This results in an appropriation reduction of \$6,400,000 in Services & Supplies (S&S).

The appropriation associated with the CSW/SCSW salary increases is \$5,247,000. The cost of salary increases is partially offset by \$2,692,000 in federal revenue and will result in a NCC need of \$2,555,000.

The net effect of these changes is an appropriation decrease of \$1,153,000, a revenue decrease of \$3,708,000, and a NCC increase of \$2,555,000.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

S&S appropriation provides spending authority for general operating expenditures such as commodities, professional and contracted services, as well as services received from other County departments. Salaries & Employee Benefits (S&EB) appropriation provides spending authority for expenditures such as the wages and salaries, and employee benefits.

As a result of an issue with the Chief Administrative Office (CAO) budget system, the cost of CSW/SCSW salary increases was not included in the Adopted Budget. DCFS is unable to absorb the revenue reduction and salary increases within their existing budget without jeopardizing services to children and families. Therefore, the CAO identified NCC to cover the cost of the salary increases.

The Chief Administrative Office (CAO) concurs with the requested action.

IMPACT ON CURRENT SERVICES

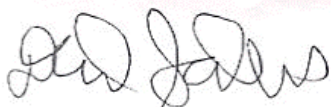
Approval of the appropriation adjustment will enable the Department provide services to meet specialized program outcome goals and assure quality in the delivery of County services to children under its care.

CONCLUSION

Upon approval by the Board of Supervisors, it is requested that the Executive Officer/Clerk of the Board send one (1) copy of the Adopted Board letter and Adopted Request for Appropriation Adjustment to the following:

1. Department of Children and Family Services
Bureau of Finance
Attn: Joan Smith, Deputy Director
425 Shatto Place, Room 300
Los Angeles, California 90020
2. Auditor-Controller - Accounting Division
Kenneth Hahn Hall of Administration, Room 603
500 West Temple Street
Los Angeles, California 90012

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David Sanders", is written over a light pink rectangular stamp.

DAVID SANDERS, PH.D.
Director

DS:TB:CJ

Attachment (1)

c: Chief Administrative Office

<u>4 -VOTES</u>					
<u>SOURCES:</u>			<u>USES:</u>		
Children & Family Services			Children & Family Services		
Decrease Services & Supplies			Increase Salaries & Employee Benefits		
A01 - CH - 26200 - 2000			A01 - CH - 26200 - 1000		
\$6,400,000			\$5,247,000		
Children & Family Services			Children & Family Services		
Increase Intergovernmental Revenue - Federal			Decrease Intergovernmental Revenue - State		
A01 - CH - 26200 - 8891			A01 - CH - 26200 - 8727		
\$14,285,000			\$17,993,000		
Non-Departmental Special Accounts					
Decrease Salaries & Employee Benefits					
A01 - BS - 13690 - 1000					
\$2,555,000					
Total			Total		
\$23,240,000			\$23,240,000		